Import of Palmolein under O.G.L

5. SHRI JAGDISH PRASAD MATHUR:

SHRI VISHNU KANT SHASTRI:

Will the Minister of CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLICATION be pleased to state:

(a) the exact date on which decision was taken to import palmolein under O.G.L. this year and the reasons therefor; and

(b) what was the prevailing domestic prices, as compared to international prices, particularly of Malaysian Palmolein and the consequent price rise and the actual price on which it was imported by Government and private traders?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI KAMALUDDIN AHMED): (a) The decision to place imports of edible vegetable palmolein oil under Open General Licence was taken on 18.4.94 so as to augement the availability of edible oils in the domestic market and stablise the prices.

(b) The prevailing wholesale price of Groundnut oil in the middle of April 1994 was Rs. 3767 per quintal (at Delhi) as compared to US $ 487.50 F.O.B. per tonne for edible vegetable palmolein oil in Malaysia during the same period. The State Trading Corporation has contracted for import of edible vegetable palmolein oil at an average price of US $ 556 C.I.F. per tonne for July to September, 1994 shipments. There is no specific information available about the prices at which private traders have contracted for import of edible vegetable palmolein oil during July to September, 1994.

International forward deals in Palmolein Import

6. SHRI VIRENDRA KATARIA: Will the Minister of CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the decision to allow the import of Palmolein under the Open General Licence (OGL) was known to select traders who reportedly made huge billings in international forward deals;

(b) whether it is also a fact that prices in the international market remained stable from October, 1993 to March, 1994, before news of the possibility of massive Indian purchases led to sudden volatility; and

(c) whether it is a fact that a cartel of Indian traders indulged in heavy forward purchase booking profit close to $ 100 per tonne?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI KAMALUDDIN AHMED): (a) to (c) The Government has no information regarding huge international forward deals alleged to have been made by private traders just before import of pamolein under OGL was allowed.

It is not correct to say that the prices of palmolein of Malayasian origin remained stable during October, 1993 to March, 1994. Month-wise prices of palmolein in the international market are given below which shows a definite increasing trend:—

Months	Monthly average price US £ PMT FOB Malaysia
Oct., 1993	346
Nov., 1993	364
Dec., 1993	412
Jan., 1994	425
Feb., 1994	434
March., 1994	432

(Source : Oil World Weekly)